

F.No.450/179/2009-Cus.IV(Pt)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

227-B, North Block,
New Delhi-110001.
23rd August, 2011.

To

All Chief Commissioners of Customs / Customs (Prev.).
All Chief Commissioners of Customs & Central Excise.
All Commissioners of Customs / Customs (Prev.).
All Commissioners of Customs & Central Excise.
All Director Generals under CBEC.

Subject: Authorized Economic Operator (AEO) programme for implementation.

Sir / Madam,

In view of growing concern amongst Customs administrations about the threat posed through misuse of channels of import and export, there is a need to ensure security in global supply chain in international movement of goods. Keeping this in view, CBEC has finalized the 'Authorized Economic Operators' (AEO) programme for implementation to secure supply chain of imported and export goods. This programme has been developed pursuant to guidelines of WCO adopted in SAFE FoS (Framework of Standard) in 2005. Many Customs administrations have already instituted AEO programmes or similar programmes which share a common objective of ensuring security in global supply chain from the point of origin i.e. the point of export to import in the receiving country, keeping in view national requirements of respective administrations. The detailed guidelines on implementation of the AEO programme are appended as '[Annexure](#)' to this Circular.

2. One of the salient features of the AEO programme is that any economic operator such as importer, exporter, logistics provider, Customs House Agent can apply for authorization subject to the criteria that the applicant is:

- (i) able to establish a record of compliance in respect of Customs and other legal provisions.
- (ii) able to demonstrate satisfactory systems of managing commercial and, where appropriate, transport records.
- (iii) financially solvent.
- (iv) able to demonstrate satisfactory systems in respect of security and safety standards.

3. The AEO programme shall be implemented by the Directorate General of Inspection (DGICCE) and Additional Director General, DGICCE (HQ), New Delhi will be the AEO Programme Manager. The AEO Programme Manager shall be assisted by a team of officers viz. the AEO Programme Team.

4. The authorization shall normally be granted within 90 days of receipt of application if the same is found to be acceptable and not deficient in any material particulars. The programme also provides for circumstances under which the authorization may be considered for revocation or suspension.

5. The AEO Programme envisages various benefits to different categories of economic operators such as importers, exporters, Customs House Agents, etc. The intention is to give AEO certified operators preferential treatment in terms of less Customs examination, relaxed procedural requirements etc. This is subject to the authorized operators maintaining security standards and compliance requirements as detailed in Annexure and informing the AEO Programme Manager within 30 days in case of any significant change in business or business processes.

6. The AEO programme would be implemented on voluntary basis i.e. those who are interested in getting benefits of the programme may apply for authorization as per the procedure outlined in the Annexure. The authorization shall be granted after detailed pre-certification verification and validation done by AEO Programme Team.

7. As DGICCE is assigned the work of implementation of the AEO programme, Board desires that process of inviting application, processing of the same, validation and certification shall be done as envisaged in the programme, as per the following time lines:

Action	Timeline
Announcement of AEO programme	23.8.2011
Receipt of applications for pilots	By 15.9.2011
Scrutiny of applications for pilots	By 30.9.2011
Selection of 3 pilots and intimation thereof	By 15.10.2011
Validation process including field visits for pilots	15.10.2011 - 15.1.2012
Decision on grant of AEO status	15.2.2012

8. All Commissioners are requested to issue a suitable Public Notice and a standing order for guidance of trade and staff.

Yours faithfully,

(R. P. Singh)
Director (Customs)